



Office of the Washington State Auditor

Pat McCarthy

Accountability Audit Report  
**Columbia County Public  
Transportation**

For the period January 1, 2015 through December 31, 2016

Published

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Office of the Washington State Auditor  
Pat McCarthy

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Board of Commissioners  
Columbia County Public Transportation  
Dayton, Washington

**Report on Accountability**

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Authority's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

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## AUDIT SUMMARY

### Results in brief

In most areas we audited, Authority operations complied with applicable requirements and provided adequate safeguarding of public resources. The Authority also complied with state laws and regulations and its own policies and procedures in most areas we examined.

However, we noted certain matters that we communicated to Authority management in a letter dated February 16, 2018, related to vanpool usage and monitoring. We appreciate the Authority's commitment to resolving those matters.

### About the audit

This report contains the results of our independent accountability audit of the Columbia County Public Transportation from January 1, 2015 through December 31, 2016.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Credit card usage
- Vanpool monitoring
- Schedule 16 of Federal Expenditures reporting
- Payroll disbursements and leave cash outs
- Surplus equipment
- Vendor disbursements



## INFORMATION ABOUT THE AUTHORITY

The Columbia County Public Transportation (or CCPT) was created in 2005 when it separated as a component of Columbia County into its own, separately governed entity.

It is governed by a five-member Board of Directors, made up of representatives from local entities. The Authority provides public transportation services to approximately 4,200 citizens in the city of Dayton, town of Starbuck and rural Columbia County. The Authority operates on a \$1.5 million annual budget and has approximately 14 part- and full-time employees.

Contact information related to this report	
Address:	Columbia County Public Transportation 507 W. Cameron Dayton, WA 99328
Contact:	Steven Mertens, Finance Manager
Telephone:	(509) 382-1647
Website:	<a href="http://www.ccptransit.org/">www.ccptransit.org/</a>

*Information current as of report publish date.*

### Audit history

You can find current and past audit reports for the Columbia County Public Transportation at <http://portal.sao.wa.gov/ReportSearch>.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as fraud, state whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic subscription service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>



Office of the Washington State Auditor  
Pat McCarthy

February 16, 2018

Board of Directors  
Columbia County Public Transportation  
Dayton, Washington

Management Letter

This letter includes a summary of specific matters that we identified in planning and performing our accountability audit of Columbia County Public Transportation (Authority) from January 1, 2015 through December 31, 2016. We believe our recommendations will assist you in improving the Authority's internal controls in these areas.

We will review the status of these matters during our next audit. We have already discussed our comments with and made suggestions for improvements to the Authority's officials and personnel. If you have any further questions, please contact me at [waltmang@sao.wa.gov](mailto:waltmang@sao.wa.gov).

This letter is intended for the information and use of management and the governing body. However, this letter is a matter of public record and its distribution is not limited.

We would also like to take this opportunity to extend our appreciation to your staff for the cooperation and assistance given during the course of the audit.

Sincerely,

Ginny Waltman, Audit Manager

Attachment

**Columbia County Public Transportation  
Accountability Audit Fiscal Years 2015-2016  
Exit Comments**

**Procurement**

During our review of the purchases of buses and vanpool vans, we noted:

- The Transit used DES' master contracts for three (3) purchases of the buses and vans totaling \$489,557 in 2015 and 2016.
- The Transit is not a member of DES and used Columbia County's authority through DES to procure the vehicles.
- There was no support of board approval to purchase/bid buses 11 and 12.
- The Transit does not have a policy allowing the use of state contracts through DES in place of normal procurement procedures.

We recommend the Transit comply with its Procurement Policy and adequately indicate purchase/bid approval in the meeting minutes.

**Financial Condition**

We noted the following financial indicators in our review of the Transit's financial condition.

- The Transit's cash position declined by 35.6% and 15.7%, in fiscal years 2015 and 2016 respectively.
- The cash balance from year end 2014 to year end 2016 went from \$2,249,948 to \$1,222,228 for a total decline of \$1,027,720.
- The Transit's operating margin was -37.8% and 0.6% in fiscal years 2015 and 2016 respectively.

We recommend the Transit closely monitor its financial condition to ensure future activities and operations are sustainable.

**Payroll Cashouts**

During our review of leave cash outs, we noted:

- One employee did not have her leave balance adjusted for 58 hours used in the proper pay period. Management did not identify this error until approximately nine months after it occurred.
- The Transit did not comply with its policy for requesting pre-approved written approval for extended leave. We found only verbal approvals were granted by the General Manager.
- One employee cashed out 60 hours. Leave can only be cashed out in eight (8) hour increments. Therefore the employee should have cashed out 56 hours. We found the employee did have enough hours to cash out.

We recommend the Transit conduct an independent review of payroll and timesheets before approval for payment to ensure that employee cash outs are properly accrued, adjusted and used. In addition, with regards to extended leave, we recommend the Transit use authorization forms as required by its policy, to document and approve extended leaves.



**Payroll**

One employee's timesheet was not signed, and was mistakenly paid overtime for 8.5 hours totaling \$78 she used for general leave. The overtime payment was an error and the Transit did not identify it.

We recommend the Transit conduct an independent review of timesheets and payroll, and authorize the transaction before processing for payment.

**Travel Documentation**

The Transit's policy states travel lodging will be at the per diem rate. There were six instances totaling \$407 in which the lodging charges were higher than the per diem rate.

We recommend the Transit follow its travel policy.